

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WISCONSIN**

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In re:	Case No. 24-21743-gmh
WISCONSIN & MILWAUKEE HOTEL LLC,	Chapter 11
Debtor.	Honorable G. Michael Halfenger

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**JOINT STIPULATED STATEMENT OF FACTS**

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Creditors, Computershare Trust Company, N.A. (“Computershare”) and Wisconsin & Milwaukee Hotel Funding LLC (“Funding”, and together with Computershare, “Lenders”), and Debtor, Wisconsin & Milwaukee Hotel, LLC (“Debtor”), hereby stipulate as follows:

1. Debtor is a Wisconsin limited liability company with its principal place of business in Milwaukee, Wisconsin. Debtor owns and operates the Milwaukee Marriott Downtown, a 205-room full-service hotel located at 625 N. Milwaukee Street, Milwaukee, Wisconsin (the “Hotel”).
2. The Hotel features an array of amenities including high-end guest rooms; a business-center; a 24-hour fitness center; flexible wedding, special event, and meeting facilities equipped with state-of-the-art lighting and audio equipment; and East Town Kitchen + Bar, a restaurant offering comfort food.
3. In 2011, Jackson Street Management LLC (“JSM”), a hotel development, renovation, and management company based in Milwaukee, formed Debtor to develop the first full-service Marriott hotel in Milwaukee’s central business district.
4. To finance construction of the Hotel, Debtor weaved together several nontraditional financing options including, among other things, construction financing provided by Wisconsin Housing and Economic Development Corporation (“WHEDA”) and funded

through the issuance and sale of Midwest Disaster Area Bonds (the “Bonds”). Interest on the Bonds was intended to be exempt from federal income taxes and, to Debtor and Funding’s knowledge, was tax exempt as of April 9, 2024 (the “Petition Date”).

5. On June 14, 2011, Debtor entered into the Management Agreement by and between White Lodging Services Corporation (“Manager”) and Debtor (the “Management Agreement”). Pursuant to the Management Agreement, the operation of the Hotel would be under the exclusive supervision and control of Manager, except as otherwise specifically provided in the Management Agreement. The Hotel was completed and opened for business in 2013. The Hotel operated continuously from its opening until March 2020, when the COVID-19 pandemic forced it to close. The Hotel resumed business in August 2021.

6. WHEDA has three outstanding loans (the “Loans”) to Debtor, as evidenced by the following promissory notes (collectively, the “Notes”):

- a. Restated Promissory Note (Note A) dated January 3, 2022, executed, issued and delivered by Debtor and made payable to the order of WHEDA, in the stated principal amount of \$34,664,676.02 (“Note A”);
- b. Restated Promissory Note (Note B) dated January 3, 2022, executed, issued and delivered by Debtor and made payable to the order of WHEDA, in the stated principal amount of \$2,393,985.18 (“Note B”); and
- c. Restated Promissory Note (Note C) dated January 3, 2022, executed, issued and delivered by Debtor and made payable to the order of WHEDA, in the stated principal amount of \$7,909,905.90 (“Note C”).

7. The stated maturity date of each Note is January 1, 2042.

8. The Loans were originally funded by WHEDA through the sale of the Bonds pursuant to an Indenture of Trust dated as of August 1, 2012, between WHEDA and Computershare (as successor to Wells Fargo Bank, National Association (“Wells Fargo”)), as trustee, which was amended by (a) a First Supplemental Indenture dated as of October 1, 2015, between WHEDA and Computershare (as successor to Wells Fargo), and consented to by Funding, (b) a Second Supplemental Indenture dated as of October 9, 2019, between WHEDA and Computershare (as successor to Wells Fargo), and consented to by Funding, and (c) a Third Supplemental Indenture dated as of January 3, 2022, by Computershare and consented to by Funding (as so amended, the “Indenture”). The Indenture governs three series of Bonds. The Series A Bonds correspond to Note A, with a stated principal amount of \$34,664,676.02 as of the Petition Date; the Series B Bonds correspond to Note B, with a stated principal amount of \$2,393,985.18 as of the Petition Date; and the Series C Bonds correspond to Note C, with a stated principal amount of \$7,909,905.90 as of the Petition Date. As of the Petition Date, the Series A Bond bore interest at the rate per annum of 5.78% and the Series B and C Bonds bore interest at the rate per annum of 4.125%.

9. Funding is the sole owner of the Bonds.

10. The Loans were originally made pursuant to a Loan Agreement dated as of August 31, 2012, by and between Debtor and WHEDA, which was amended by (a) a First Amendment to Loan Agreement dated as of October 1, 2015, by and between Debtor and WHEDA, and consented to by Funding, (b) a Second Amendment to Loan Agreement dated as of October 9, 2019, among WHEDA, Debtor and Wisconsin & Milwaukee Hotel Investment Fund LLC (“WMH Investment”), and consented to by Funding, and (c) a Third Amendment to

Loan Agreement dated as of January 3, 2022, by and between Debtor and WHEDA and consented to by Funding (as so amended, the “Loan Agreement”).

11. The original interest rate on Note A was 4.6% per annum beginning August 31, 2012, through February 28, 2013, and 5.78% per annum thereafter. The original interest rate on Note B was 4.6% per annum beginning August 31, 2012, through May 30, 2013, and 5.78% per annum thereafter. The original interest rate on Note C was 6.02% per annum beginning August 31, 2012, through May 30, 2013, and 8.25% per annum thereafter. The interest rates on the original Notes were equal to the interest rate on the respective Bonds and were calculated based on a 360-day year. On January 3, 2022, the Notes were restated pursuant to the Third Amendment to Loan Agreement, and the interest rates on the Loans were amended (continuing to be equal to the interest rates on the respective Bonds), pursuant to which Note A bore interest at the rate per annum of 5.78% (calculated based on a 360-day year), and Notes B and C bore interest at the rate per annum of 4.125% (calculated based on a 365 or 366-day year, as applicable).

12. On December 31, 2020, the Initial Conversion Date under the First Supplemental Indenture, a mandatory tender of the Bonds was triggered by Section 4.9 of the Indenture. As a result of the mandatory tender, the trustee was to purchase the Bonds from Funding using funds deposited in a certain Bond Purchase Account, pursuant to Section 4.11 of the Indenture. However, on the Initial Conversion Date, there were no funds in the Bond Purchase Account. Section 2.7 of the Loan Agreement provided that, in such event, Debtor was required to prepay Notes A, B and C in the amount of any shortfall in the Bond Purchase Account, which, in this case, was the entire outstanding amount owed under the Notes. Debtor did not make the prepayment, and no Bonds were purchased by the trustee.

13. On January 3, 2022, WHEDA and Computershare entered into the Third Supplemental Indenture. In this Third Supplemental Indenture, WHEDA and Computershare acknowledged that the Bonds were not purchased on the Mandatory Tender Date of December 31, 2020, due to the lack of availability of payments under the Loan Agreement, and agreed that the failure to make such purchase would not be treated as an event of default. This Third Supplemental Indenture also changed the Initial Conversion Date from December 31, 2020, to March 31, 2022, and provided that this Initial Conversion Date of March 31, 2022, would be extended to March 31, 2024, as long as no uncured and unwaived event of default occurred. Therefore, on March 31, 2024, a second Initial Conversion Date triggered the mandatory tender again. On this date, no monies were deposited in the Bond Purchase Account. Therefore, Debtor was required to prepay the Notes in the amount of any shortfall in the Bond Purchase Account, which, in this case, was the entire outstanding amount owed under the Notes, on March 31, 2024. Debtor did not make the required prepayment and the trustee did not purchase the Bonds on this Mandatory Tender Date.

14. On April 1, 2024, Lenders, through their counsel, sent written notice to Debtor informing Debtor of its requirement to prepay the Notes and notifying Debtor that the failure to make such payment within five days of such notice would constitute an Event of Default (as defined in the Loan Agreement). Debtor did not make any payments within such time period. Debtor's failure to make such required prepayment constituted an event of default under the Loan Documents.

15. Note A is secured by a Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement A (WCDLF) dated as of December 30, 2011, from Debtor to WCDLF Sub CDE XXXIII, LLC which was recorded with the Register of Deeds for Milwaukee

County, Wisconsin (the “ROD”) on January 4, 2012, as Document No. 10068706, covering parcels of real estate and improvements thereon and described therein, as well as other personal property and collateral (all of which property shall hereinafter be referred to as the “Mortgaged Premises”), and which Mortgage was assigned to WMH Investment by an Assignment of Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement A (WCDLF) recorded with the ROD on February 6, 2019, as Document No. 10846387. Such Mortgage was further assigned to WHEDA pursuant to an Assignment of and Amendment to Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement A (WCDLF) dated October 9, 2019, recorded with the ROD on October 11, 2019, as Document No. 10915536. The foregoing are collectively referred to as the “WCDLF Mortgage.”

16. Note A is further secured by a Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement A (WBGF) dated as of December 30, 2011, from Debtor to WBD Growth Fund VI, LLC, recorded with the ROD on January 4, 2012, as Document No. 10068708, covering the Mortgaged Premises, and which Mortgage was assigned to WMH Investment by an Assignment of Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement A (WBGF) recorded with the ROD on January 7, 2019, as Document No. 10839929. Such Mortgage was further assigned to WHEDA pursuant to an Assignment of and Amendment to Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement (WBGF) dated October 9, 2019, recorded with the ROD on October 11, 2019, as Document No. 10915537. The foregoing are collectively referred to as the “WBGF Mortgage.”

17. Note B is secured by a Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement B dated as of August 31, 2012, from Debtor to WHEDA, recorded with the ROD on September 4, 2012, as Document No. 10156580, covering the

Mortgaged Premises. Such Mortgage was assigned to Computershare pursuant to an Assignment of Mortgage by Lender dated August 31, 2012, recorded with the ROD on September 7, 2012, as Document No. 10158153. The foregoing are collectively referred to as the “Note B Mortgage.”

18. Note C is secured by a Construction Mortgage, Security Agreement, Fixture Filing and Financing Statement C dated as of August 31, 2012, from Debtor to WHEDA, recorded with the ROD on September 4, 2012, as Document No. 10156581, covering the Mortgaged Premises. Such Mortgage was assigned to Computershare pursuant to an Assignment of Mortgage by Lender dated August 31, 2012, recorded with the ROD on September 7, 2012, as Document No. 10158154. The foregoing are collectively referred to as the “Note C Mortgage.”

19. The WCDLF Mortgage, the WBGF Mortgage, the Note B Mortgage and the Note C Mortgage are collectively referred to herein as the “Mortgages.”

20. Computershare’s security interest in the portion of the Mortgaged Premises constituting personal property was perfected by the filing of a UCC-1 Financing Statement naming Debtor as debtor and Computershare as secured party with the Wisconsin Department of Financial Institutions (“WDFI”) on August 31, 2012, as Document Number 120011497224, which was continued by a UCC-3 Financing Statement filed with the WDFI on March 29, 2017, as Document Number 170003970423, which was further continued by a UCC-3 Financing Statement filed with the WDFI on June 10, 2022, as Document Number 20220610000376-7, which was amended by a UCC-3 Financing Statement filed with the WDFI on December 4, 2023, as Document Number 20231204000581-6 (collectively, the “Financing Statement”).

21. The Notes, Loan Agreement, and Mortgages are collectively referred to herein as the “Loan Documents.”

22. WHEDA's rights under the Notes, Mortgages and other Loan Documents were assigned to Computershare pursuant to the Indenture.

23. Computershare is the successor-in-interest to Wells Fargo Bank, National Association, as assignee of WHEDA, in regards to title to and possession of the Indenture and all of the Loan Documents, and is the owner and holder in due course of the Indenture and all such Loan Documents and all obligations of Debtor evidenced by the Loan Documents.

24. Pursuant to the *Final Order Authorizing the Use of Cash Collateral and Granting Adequate Protection* entered on May 2, 2024 (ECF #93), Debtor granted to Computershare first position security interests, mortgages and liens in and upon all property of the type described in the Loan Documents that was acquired by Debtor on and after the Petition Date (the "Final Cash Collateral Order").

25. By virtue of the Mortgages, the Financing Statement and the Final Cash Collateral Order, Computershare has a properly perfected first priority security interest in, and liens on, all assets of Debtor including, without limitation, the Mortgaged Premises.

26. Funding previously made a loan to JSM in the principal amount of \$2,104,633.90 as evidenced by a Business Note dated as of January 3, 2022, issued by JSM and payable to the order of Funding (the "JSM Note"). Debtor alleges that the proceeds of the loan evidenced by the JSM Note were provided by JSM to Debtor for the support of Hotel operations and improvements.

27. JSM's obligations under the JSM Note were secured by a Real Estate Mortgage dated as of January 3, 2022, from Debtor in favor of Funding covering the Mortgaged Premises (the "JSM Mortgage"). Debtor also guaranteed JSM's obligations under the JSM Note pursuant



to a non-recourse Continuing Guaranty (Unlimited) dated as of January 3, 2022, by Debtor in favor of Funding (the “JSM Guaranty”).

28. Funding, Debtor and JSM are also party to a Covenant Agreement dated as of January 3, 2022 (the “Covenant Agreement”). Section 5.03 of the Covenant Agreement provides that Funding’s recourse against Debtor with respect to the JSM Guaranty is limited to enforcement of the JSM Mortgage.

29. Computershare exercised the § 1111(b) election by notice filed with the Court on April 7, 2025 (ECF #489), leaving the Computershare claim classified by itself in Class 1B of Debtor’s Second Amended Plan.

30. As of the date hereof, and following stipulated reductions approved by orders of the Court (ECF ## 436, 519), Computershare holds an allowed secured claim against Debtor in the amount of \$45,553,800.86, subject only to reduction for adequate protection payments made pursuant to the Final Cash Collateral Order after the date hereof.

31. As of the date hereof, Funding holds an allowed unsecured claim against Debtor in the amount of \$2,113,408.30, classified by itself in Class 7 of the Debtor’s Second Amended Plan.

32. The Indenture and the Loan Documents, in the forms attached to CTC’s Proof of Claim (Claim 11), may be admitted into evidence at the hearing on confirmation of Debtor’s Second Amended Plan without objection.

33. The JSM Note, the JSM Mortgage, the JSM Guaranty and the Covenant Agreement, each in the form attached to Funding’s Proof of Claim (Claim 12), may be admitted into evidence at the hearing on confirmation of Debtor’s Second Amended Plan without objection.

34. Both Computershare and Funding voted against the Amended Plan.

DATED: July 9, 2025.

COMPUTERSHARE TRUST CO., N.A. and  
WISCONSIN & MILWAUKEE HOTEL  
FUNDING, LLC

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